

Regular Meeting

Minutes of the Meeting of
Michigan State Waterways Commission
October 13, 2006

Huron-Clinton Metroparks Metro Beach Nature Center
Mount Clemens, Michigan

A regular meeting of the Michigan State Waterways Commission was called to order by Chairman Todd Wyett at 11:01 a.m. on Friday, October 13, 2006, at the Huron-Clinton Metroparks Metro Beach Nature Center, Mount Clemens, Michigan. The following Commissioners were present:

Todd Wyett, Chairman
Bryan Amann
Denny Bailey
Bob Brown
Curtis Hertel, Sr.
Janet Mansfield
Carol B. Oakley

Resource Management Deputy Mindy Koch and other Department of Natural Resources (Department) staff were present.

Chairman Wyett began the meeting by thanking the staff of the Huron-Clinton Metroparks for hosting the Waterways Commission meeting. He also congratulated Commissioners Hertel, Mansfield, and Oakley on their reappointments to the Waterways Commission.

A change was made to the agenda as follows:

- Under New Business, Item H, the Lease for Grindstone City has been removed and is replaced by the Muskegon Clipper Ship Lease.

Public Appearances

Written correspondence

The Commission received the following written correspondence:

- A letter dated October 12, 2006, from Ms. Betsy Clark (a member of Citizens Supporting Proposal 06-01) regarding Proposal 06-01. This letter was sent directly to the Waterways Commission by Ms. Clark and is not a Department document. Chairman Wyett read the letter into the record.

MOTION: Commissioner Carol Oakley moved that the Waterways Commission support proposal 06-01. The motion was seconded by Commissioner Amann and it carried unanimously.

- A letter dated October 2, 2006, from the City of East Tawas regarding the electrical service, dock repair, and an increase in seasonal slips.
- A letter dated August 31, 2006, from Anne C. and J. Bond Perket regarding the harbor conditions from Grand Marais to Whitefish Point.

These items were acknowledged and entered into the record for this meeting.

Appearances

Representative Matthew Gillard (he represents the 106th District and serves on the Natural Resources and Environment committees) spoke to the Commission regarding Presque Isle Harbor. He indicated that Presque Isle Harbor is underutilized and its occupancy rates are low. Representative Gillard encouraged the Commission to allow additional seasonal slips and to make a long term commitment to promote this harbor through the development and implementation of a long-term marketing plan. The area does not have the commercial development that is present in other parts of the state. Representative Gillard believes additional seasonal slips would assist in encouraging further economic growth in the area.

Commissioner Oakley suggested that local businesses could offer transportation to the harbor for their patrons. The businesses could also pay for a kiosk at the harbor to advertise local businesses.

Mr. Mike Arens, Chief Engineer for Huron-Clinton Metroparks, welcomed the Commission to Metro Beach.

Minutes

August 4, 2006

MOTION: Commissioner Mansfield moved to approve the minutes of the August 4, 2006 Michigan State Waterways Commission meeting. The motion was seconded by Commissioner Bailey and it carried unanimously.

Old Business:

Project Status Report

Mr. Bill Boik provided an update on current projects as follows:

Marinas/Harbors:

- Mackinaw City State Harbor (Cheboygan County) is proceeding with Phase 2 of its project, which includes dredging, rip rap, steel removal, and launch construction. December 1, 2006, is the scheduled completion date for this phase. Phase 3 will include a building and on-shore amenities.

Boating Access Sites (BAS)

- Some additional property has been acquired adjacent to the DeTour BAS (Chippewa County) in order to expand the parking lot. Other land has been acquired to assist in redeveloping the harbor. Dredging was recently completed.
- Banksons Lake BAS (Van Buren County) has undergone ramp, parking, and maneuver area relocation, along with rip rap work.
- Lake Cora BAS (Van Buren County) is working on ramp replacement.
- The project at Grace Road BAS (Benzie County) includes carry down development, parking, and ramp replacement.
- Little Whitefish Lake (Montcalm County) is undergoing ramp replacement.

Mr. Boik updated the Commission on other projects as follows:

- Permits were applied for regarding Cheboygan Lock and Dam. DEQ denied the permits due to chromium in the soil, however discussion is ongoing. At this point, the dredge spoils would have to be sent to a type two landfill. The Army Corps of Engineers has withdrawn its permit for this site. The Department will have six months to resolve this issue.
- The Charlevoix project is ready to move forward. The City had conflicting contracts, which DMB does not allow. Another meeting is scheduled in Lansing on Monday, October 16, 2006, to resolve any outstanding issues.
- The Crystal Lake boat launch is involved in an administrative hearing, which will resume on October 18, 2006.
- The Department has received a federal grant of \$100,000 through the Boating Infrastructure Grant Program. This program is intended to aid harbor facilities for large boats.

Operations Status Report

Mr. Harold Herta provided an update with regard to operations. The Central Reservation System (CRS) Call Center opened at Iron River in early September. The Center started with 17 to 20 operators, which will increase to approximately 60 operators at the end of November. Mr. Herta distributed the final report on net boat nights for all harbors in the CRS.

- Occupancy was down 13.5%, for the total season, but was only down 3.6% after gas prices dropped in mid-August.
- Annual BAS permit sales were up 1.5%, but daily sales were down 11%.
- Annual lock permit sales were down 11%, with daily sales down 9%.
- Total permit sales this year totaled \$920,000, while last year this amount was \$983,000.
- The new harbors did well. Cedar River was up 24.5%, Hammond Bay was up 38%, and Tricentennial also improved over last year.
- Harbor Beach had an 85% drop in activity, but this could be due to problems with the reservation system.

The above figures represent transient use only. Some communities may not have been fully using the CRS.

Standing Committees

The Operations/Policy Committee met and discussed the variance requests appearing on the agenda.

Although the Walloon Subcommittee has been disbanded, meetings have occurred with representatives from the Walloon Lake Association. Work is progressing in regard to the State Forest site.

New Business:

Action Items:

Michigan State Waterways Commission Grant Funding Ratio Policy

The proposed funding policy would assist in quantifying the percentage funding amounts for the distribution of grants from the Department to communities. No community projects will be funded at 100%. Department staff is requesting adoption of this policy.

MOTION: Commissioner Mansfield moved to approve the proposed policy as written. The motion was seconded by Commissioner Amann and it carried unanimously.

Fiscal Year 2006 Waterways Grant Applications

Mr. Boik presented information on the grant applications that were recommended for award by the Department.

MOTION: Commissioner Brown moved to approve the grant applications as proposed. The motion was seconded by Commissioner Hertel and it carried unanimously.

Fiscal Year 2008 Capital Outlay Requests

Mr. Boik briefed the Commission regarding the capital outlay requests for 2008.

MOTION: Commissioner Bailey moved to approve the capital outlay requests for 2008 as recommended. The motion was seconded by Commissioner Mansfield and it carried unanimously.

East Tawas Variance Request

This request consisted of a proposal to increase the number of seasonal slips at East Tawas from 30 to 60. The Operations/Policy Committee recommended approval of this request.

MOTION: Commissioner Amann moved to approve this request. The motion was seconded by Commissioner Oakley and it carried unanimously.

Presque Isle Variance Request

This request sought to increase seasonal slips at Presque Isle from 20 to 30. The Operations/Policy Committee recommended approval of this request.

MOTION: Commissioner Mansfield moved to approve this request. The motion was seconded by Commissioner Oakley and it was unanimously approved.

Hammond Bay Variance Request

This request consisted of a proposal to increase seasonal slips at Hammond Bay from five to seven. The Operations/Policy Committee recommended approval of this request.

MOTION: Commissioner Bailey moved to approve this request. The motion was seconded by Commissioner Mansfield and it carried unanimously.

New Buffalo Request for Out of State Fees

This request from the City of New Buffalo asked for approval to charge a higher rate on weekends for out-of-state users at their launch facilities. The City is now charging a higher rate for out-of-town (in Michigan) residents. Approval was recommended by the Operations/Policy Committee for the out-of-state fee with the stipulation that the out-of-town (in Michigan) fee be eliminated.

MOTION: Commissioner Hertel moved to approve this request. Commissioner Oakley seconded the motion and it carried unanimously.

Milwaukee Clipper Ship

The City of Muskegon has requested the ability to enter into a lease to provide a permanent mooring spot for the Milwaukee Clipper Ship. The proposed lease, which constitutes a commercial use, includes a provision for parking within Hartshorn Marina, and the use of the facility for weddings and other events. Mr. Herta would like to respond and ask that the parking provision be taken out of the lease. The lease also includes a 25 year duration.

Information Items:

Port Huron Harbor Development Request

Mr. Dan Collins, City Manager for the City of Port Huron and Mr. Ray Straffon from Acheson Ventures presented information to the Commission regarding a development request for the Water Street Marina. This request includes a long term lease, which will be brought to the Commission at its December meeting. A lease would require approval of the Waterways Commission. Acheson Ventures is also asking for a Harbor Development Grant.

MOTION: Commissioner Oakley moved that Department staff continue to work with Acheson Ventures and the City of Port Huron to develop an appropriate lease for this facility. Commissioner Amann seconded the motion and it carried unanimously.

Bay City Harbor Development Request

Mr. Steven Black, Deputy City Manager for the City of Bay City, spoke to the Commission regarding the City's desire for a Harbor Development Grant to assist in developing its "Uptown at Rivers Edge" project. The City is looking to develop the site as a multi-use property.

MOTION: Commissioner Amann moved to approve Department staff working with the City of Bay City to review this request. The motion was seconded by Commissioner Bailey and it carried unanimously.

Seasonal Slip History

Mr. Jason Fleming presented a document to the Commission containing the fee and allocation history of seasonal slips.

Elmwood Township

The Department has received considerable correspondence this year from Elmwood Township regarding operations. Staff visited the area and conducted a public meeting, which assisted in resolving a number of the issues. Commissioner Amann requested a copy of the information from the public meeting.

DeTour Lighthouse Tours

The vendor at DeTour Harbor has been allowing the DeTour Reef Lighthouse Preservation Society to conduct lighthouse tours. The Harbor is leased and is a State-owned harbor. This activity is not authorized within the lease, the Society does not have a use permit, and commercial use at DeTour has not been authorized by the Waterways Commission. The lessee has been informed that this is a commercial use and a use permit is required.

Naming Policy

Chief Deputy Dennis Fedewa provided a review of the Department's proposed Naming Policy. Current policy dates back to 1978. The draft policy will hopefully be available by the end of the calendar year.

Other Business:

The Harbormasters meeting in Dearborn on November 29, 2006, will be attended by Commissioners Mansfield, Oakley, and Amann.

The Commission will hold a Strategic Planning meeting for two hours on Thursday, November 30, 2006, in conjunction with the December 1, 2006 Commission meeting in Lansing.

MOTION: Commissioner Bailey moved to adjourn this meeting of the Michigan State Waterways Commission. The motion was seconded by Commissioner Amann and unanimously approved. This meeting of the Michigan State Waterways Commission was adjourned at 1:31 p.m.